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a. One of the results of the All-Union conference of technicians and industrial workers in Moscow during May 1955 was the establishment of a definite role for East German industrial development within the framework of a coordinated plan including all East Bloc countries. It was determined that East German industrial development would be confined mainly to those industries which are basic for East Germany in view of its tradition as well as in view of the availability of materials. These industries are:

- (1) The basic chemical industry, which means mainly the coal and lime industries.
- (2) The radio and telecommunications industry.
- (3) The precision mechanics and optical industry.

b. During the All-Union conference, East Germany was heavily criticized because during the past years she has made an all-out effort at developing the heavy machine construction industry to the detriment of the three basic industrial sectors specified above.

c. In the future the heaviest emphasis in East Germany will be placed upon the development of the three industrial sectors mentioned and no longer on the heavy machine construction sector within the coordinated industrial effort of the East Bloc countries. The Soviet Union and Czechoslovakia are the natural countries for heavy machine construction development.

3. The directing collective was established in order to enforce the new line of

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development for East Germany. As a result, East German plants and offices affiliated with the basic chemical industry, the radio and telecommunications industry, and the precision mechanics and optical industry were to be particularly investigated by the directing collective as to their production, equipment, personnel, and profitability.

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